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MD 3-4-83

February 24, 1983

Mary Ann Dunaitis, Esq.
Pre-Merger Office
Federal Trade Commission
7th and Pennsylvania, N.W.
Washington, D.C. 20580

This letter is in response to the question regarding the applicability of the provisions of the Antitrust Improvements Act of 1976 (15 U.S.C. §15A) (the "Premerger Notification Rules") to a proposed acquisition of a hospital by our client. As you will recall, I advised you of the following:

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Dear Ms. Dunaitis:

Pursuant to your suggestion, I am sending you this letter for the purpose of confirming our telephone conversation on January 31, 1983, regarding the non-applicability of the Premerger Notifications provisions of the Antitrust Improvements Act of 1976 (15 U.S.C. §15A) (the "Premerger Notification Rules") to a proposed acquisition of a hospital by our client. As you will recall, I advised you of the following:

1. Our client is a non-manufacturing entity with total assets of approximately _____ and annual net sales of approximately _____.
2. Our client proposes to purchase a non-manufacturing entity (a hospital) with total assets of approximately _____ and annual net sales of approximately _____.
3. The closing of this acquisition is scheduled for April 15, 1983.
4. On (or immediately prior to) the closing of the acquisition, and in order to finance the acquisition, our client will be receiving approximately \$67,000,000 in loan proceeds and \$40,000,000 as consideration for the sale of additional shares of its stock. Therefore, immediately prior to or at closing, our client's total assets will for the first time be in excess of \$100,000,000.

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Our research indicates that our client's proposed acquisition does not fall within the purview of the Premerger Notification Rules because, pursuant to 16 CFR §601.11(c), the acquiring party and the acquired party shall, in determining their total assets, use their "last regularly prepared balance sheet." Therefore, since our client will only exceed the \$100,000,000 total asset requirement immediately prior to or at the closing, we have concluded that the Premerger Notification Rules do not apply to this acquisition.

You had advised me that our conclusion is correct and that our client's proposed acquisition would not fall within the purview of the Premerger Notification Rules.

Would you please acknowledge your receipt of this letter by executing and returning to me the enclosed copy of this letter in the self-addressed envelope which I have provided for that purpose.

Thank you for your cooperation in this matter.